



March 22, 2024 – Friday

## Economy

### Manufacturing boost propels business activity to 8-month high in March

India's private sector activity rose to an eight-month high in March, helped by a pick-up in growth at goods producers and buoyant demand that prompted aggregate sales rising sharply. The HSBC Flash India Composite PMI (Purchasing Managers' Index) Output Index rose to 61.3 in March, compared with a downward revised figure of 60.6 in February, according to the third flash results released by the company on Thursday.

[https://www.business-standard.com/economy/news/manufacturing-boost-propels-business-activity-to-8-month-high-in-march-124032100482\\_1.html](https://www.business-standard.com/economy/news/manufacturing-boost-propels-business-activity-to-8-month-high-in-march-124032100482_1.html)

### Centre likely to notify MGNREGS wage revision, calls it 'routine' exercise

The Rural Development Ministry may notify revision in wage rates under the Mahatma Gandhi National Rural Employment Guarantee Scheme and it has received a clearance from the Election Commission as the poll code is in force, sources said on Thursday. Though ministry officials refused to comment on the issue in view of the model code of conduct (MCC) being in place after the announcement of the Lok Sabha poll schedule, they said it is a "routine" matter and that ministries approach the EC for clearances when the model code is in place. According to a source, the changes in rates are to be notified for the upcoming financial year starting April 1. "It's the regular process of revision of rates every financial year from April 1. The ministry has taken permission from the EC for notifying it," the source said.

<https://economictimes.indiatimes.com/news/economy/policy/centre-likely-to-notify-mgnregs-wage-revision-calls-it-routine-exercise/articleshow/108684137.cms>

## Finance

### RBI readies framework for SROs

India's central bank has come up with a final omnibus framework for self-regulatory organisations (SRO), mandating them to set up grievance redressal mechanisms for members and a non-discriminatory fee structure. The Reserve Bank of India (RBI) omnibus framework prescribes the broad objectives, functions, eligibility criteria and governance standards that will be common for all SROs, irrespective of the sector. "The framework is the minimum requirement and the recognised SROs will be encouraged to develop their best practices," RBI said. The dispute resolution process should consistently use efficient, fair and transparent policies and procedures that are in line with the regulatory and statutory requirements, the central bank said. They are also told to offer counselling on restrictive, unhealthy and such other practices which may be detrimental to growth of the sector. The RBI also told SROs to frame a code of conduct for their members and to monitor adherence to the code.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-readies-framework-for-sros/articleshow/108687393.cms>

### Banks' asset quality to improve in next six months as economy grows: FICCI – IBA Survey

Banks expect asset quality to improve further in the next six months on the back of restructuring of eligible stressed units, a resilient economy and credit growth strengthening, said a survey report on Thursday. The FICCI-IBA Bankers survey said more than half the respondents believe gross non-performing assets (GNPA) would be in the range of 3 per cent to 3.5 per cent in the next six months. As many as 14 per cent of respondents believed NPA levels would be in the range of 2.5 per cent to 3 per cent.

[https://www.business-standard.com/finance/news/banks-asset-quality-to-improve-in-next-six-months-as-economy-grows-survey-124032100395\\_1.html](https://www.business-standard.com/finance/news/banks-asset-quality-to-improve-in-next-six-months-as-economy-grows-survey-124032100395_1.html)

#### **Robust regulations must to check digitalisation risks: RBI Deputy Governor**

Robust regulatory frameworks are needed to protect customers from misuse and fraud resulting from rapid digitalisation in financial services and proliferation of fintech platforms, RBI deputy governor Swaminathan J said while speaking at an event in Paris. Addressing the Global Money Week 2024 earlier this week, the deputy governor said the COVID-19 pandemic accelerated digitalisation in financial services, prompting a swift transition to online mode by service providers and customers, according to an RBI statement.

[https://www.business-standard.com/finance/news/robust-regulations-must-to-check-digitalisation-risks-rbi-dy-guv-124032100657\\_1.html](https://www.business-standard.com/finance/news/robust-regulations-must-to-check-digitalisation-risks-rbi-dy-guv-124032100657_1.html)

#### **Banks should pass reasoned orders while declaring entity defaulter: HC**

The Bombay High Court has said banks and financial institutions should pass reasoned orders before declaring an entity or person a wilful defaulter under the Reserve Bank of India's Master Circular. A division bench of Justices B P Colabawalla and Somasekhar Sundaresan, in its order on March 4, noted that wilful defaulters are ostracized from access to the financial sector and hence, the discretion given to banks under the circular should be exercised with caution as mandated by the RBI.

[https://www.business-standard.com/finance/news/banks-should-pass-reasoned-orders-while-declaring-entity-defaulter-hc-124032100429\\_1.html](https://www.business-standard.com/finance/news/banks-should-pass-reasoned-orders-while-declaring-entity-defaulter-hc-124032100429_1.html)

#### **SEBI to roll out same-day settlement this month**

SEBI on Thursday issued operational guidelines for the introduction of the beta version of same-day (T+0) settlement cycle for the equity cash market.

<https://www.thehindubusinessline.com/markets/sebi-to-roll-out-same-day-settlement-this-month/article67976553.ece>

#### **SEBI directs AMFI to stop inflows into overseas schemes of MFs from April 1**

Capital market regulator SEBI has directed the Association of Mutual Funds to stop inflows into overseas exchange traded funds from April 1 as it is approaching the overall limit of \$1 billion set by the RBI.

<https://www.thehindubusinessline.com/markets/sebi-directs-amfi-to-stop-inflows-into-overseas-schemes-of-mfs-from-april-1/article67976662.ece>

#### **States usurping branding of central schemes may lose cheaper capex loans**

States that do not adhere to branding guidelines for central government-sponsored schemes could lose concessional funding from the Centre under the 50-year capex loan window. The Centre is planning to tighten conditions under this facility, as cases of state governments, particularly ruled by opposition parties, renaming centrally sponsored schemes to portray them as their own programmes, a senior government official familiar with the matter told ET.

<https://economictimes.indiatimes.com/news/economy/indicators/states-usurping-branding-of-central-schemes-may-lose-cheaper-capex-loans/articleshow/108687286.cms>

### **Industry**

#### **EMPS 2024: Electric two-wheeler makers fear Rs 300 cr blow from new scheme**

Electric two-wheeler makers are learnt to have raised serious concerns about the new Electric Mobility Promotion Scheme (EMPS) 2024 for subsidies, which they estimate could result in a hit of over Rs 300 crore. The Ministry of Heavy Industries (MHI) notified the operational guidelines for EMPS 2024 late on Wednesday, with an outlay of Rs 500 crore for the four months beginning April 1, replacing the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME-II) scheme.

[https://www.business-standard.com/economy/news/emps-2024-electric-two-wheeler-makers-fear-rs-300-400-crore-blow-124032101104\\_1.html](https://www.business-standard.com/economy/news/emps-2024-electric-two-wheeler-makers-fear-rs-300-400-crore-blow-124032101104_1.html)

#### **Recruitment companies tap into double-digit demand for semicon jobs**

With four chip manufacturing facilities under construction across the country, the demand for talent in the semiconductor manufacturing sector has surged. Data from staffing and recruiting firms indicate that demand for talent in the sector is in double digits. According to data from Xpheno, a specialist staffing firm, companies

such as Kaynes Technology, Micron Technology, and SRAM & MRAM Group are expected to hire a total of 12,000 employees.

[https://www.business-standard.com/industry/news/recruitment-companies-see-double-digit-demand-for-semiconductor-jobs-124032101122\\_1.html](https://www.business-standard.com/industry/news/recruitment-companies-see-double-digit-demand-for-semiconductor-jobs-124032101122_1.html)

### **Flexible workspace market size likely to touch 126 million sq ft by 2028**

India's commercial real estate market is expected to witness strong demand pushing adoption of flex workspaces, leading the sector to grow up to 126 million sq ft at a compounded annual growth rate of 15%, amounting to a \$9 billion market by 2028, showed a study by Avendus Capital. This swift expansion is anticipated to draw interest from various investor categories, encompassing growth capital, private equity, real estate, high net worth individuals (HNIs) and family offices, as well as venture debt and structured credit. The flex workspace market in India is dominated by product-led operators offering flexible office solutions across the spectrum.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/flexible-workspace-market-size-likely-to-touch-126-million-sq-ft-by-2028/articleshow/108692454.cms>

## **Agriculture**

### **MP, Rajasthan declare bonus for wheat farmers**

Madhya Pradesh, the second biggest contributor to the central pool wheat stock after Punjab, is aiming to procure a 8.2 million tonne (MT) of grain in the 2024-25 rabi marketing season (April-June), which is expected to bolster the government's wheat stock which has plummeted to lowest level since 2016. Smita Bharadwaj, additional chief secretary, food, civil supplies and consumer affairs, Madhya Pradesh told FE that more than 1.5 million farmers have registered for procurement operations which have just commenced which is likely to pick up pace in the next few weeks.

<https://www.financialexpress.com/policy/economy-mp-rajasthan-declare-bonus-for-wheat-farmers-3432052/>

## **Infrastructure**

### **Domestic carriers set to operate 6% additional flights in summer**

Indian carriers are set to operate 24,275 domestic flights every week during this year's summer schedule, marking a 5.97 per cent year-on-year (Y-o-Y) increase, according to data released by the Directorate General of Civil Aviation (DGCA) on Thursday. The summer schedule for this year commences from March 31 and continues until October 26, 2024 for the aviation sector.

[https://www.business-standard.com/industry/news/domestic-carriers-set-to-operate-6-additional-flights-in-summer-124032101006\\_1.html](https://www.business-standard.com/industry/news/domestic-carriers-set-to-operate-6-additional-flights-in-summer-124032101006_1.html)

## **Energy**

### **India's coal import rises marginally to 212 MT in April-January period**

The country registered a marginal rise of 1.65 per cent in coal imports to 212.24 Million Tonnes (MT) in the April-January period of the ongoing fiscal, over the year-ago period. India's coal import was 208.78 MT in the corresponding period of the previous fiscal, according to data compiled by mjunction services ltd. mjunction services ltd is a B2B e-commerce platform. During the April-January period of the current fiscal, the volume of non-coking coal imports was 136.47 MT, slightly lower than 136.90 MT imported during the same period last financial year, according to the data.

[https://www.business-standard.com/industry/news/india-s-coal-import-rises-marginally-to-212-mt-in-april-january-period-124032100260\\_1.html](https://www.business-standard.com/industry/news/india-s-coal-import-rises-marginally-to-212-mt-in-april-january-period-124032100260_1.html)

### **Crude oil processing volumes remain steady in Feb at 20.9 MMT: PPAC**

Crude oil volumes processed by Indian refiners remained steady in February at 20.9 million metric tonnes (MMT), data released by the Petroleum Planning and Analysis Cell (PPAC) on Wednesday showed. Processed volumes rose by a marginal 0.14 per cent as compared to 20.8 MMT processed in February 2023. On a sequential basis however, volumes fell 7.48 per cent from January's 22.5 MMT. Out of the total volume processed in February, government-owned oil public sector undertakings (PSUs) and joint ventures accounted for 14.3 MMT, while private refiners processed 6.5 MMT of crude oil.

[https://www.business-standard.com/economy/news/crude-oil-processing-volumes-remain-steady-in-feb-at-20-9-mmt-ppac-124032000868\\_1.html](https://www.business-standard.com/economy/news/crude-oil-processing-volumes-remain-steady-in-feb-at-20-9-mmt-ppac-124032000868_1.html)

## External

### **India, UK aim to sign free-trade agreement by July; legal vetting on**

After a long delay, New Delhi and London are aiming at signing the free-trade agreement (FTA) by July, leading to Indian exporters of labour-intensive products such as textiles, machinery, automobile parts, and marine products getting greater market access. Signing a trade deal with the United Kingdom (UK) would be one of the main priorities of India's National Democratic Alliance-led government, which is now eyeing a third consecutive term.

[https://www.business-standard.com/economy/news/after-a-long-delay-india-uk-free-trade-deal-expected-to-be-signed-in-july-124032100978\\_1.html](https://www.business-standard.com/economy/news/after-a-long-delay-india-uk-free-trade-deal-expected-to-be-signed-in-july-124032100978_1.html)

### **India, US resolve last outstanding WTO dispute on poultry**

India and the US Thursday informed the World Trade Organization (WTO) that they have reached a mutually agreed solution on the outstanding dispute on poultry imports from Washington, thereby resolving all of their seven disputes at the global trade watchdog. In 2015, India lost a long-pending dispute over poultry imports from the US at the WTO. India had prohibited the import of various agricultural products from the US because of concerns related to Avian Influenza. New Delhi lost the case at the WTO at both the panel level and at the appellate level and though it lifted the ban, Washington remained unconvinced about the mechanism for poultry shipments and import duties and did not withdraw the case at the WTO.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-resolve-last-outstanding-wto-dispute-on-poultry/articleshow/108687206.cms>

### **Royalty rate under Spain DTAA notified**

India has notified the tax rates on royalties and fees for technical services (FTS) under the India-Spain double taxation avoidance agreement (DTAA) at up to 10%, lower than specified in its domestic law. New Delhi has notified lower tax rate on most-favoured nation basis to Spain. As per the notification, royalties and fees for technical services may also be taxed in the contracting state in which they arise, according to the law of that state. "If the recipient is the beneficial owner of the royalties or fees for technical services, the tax so charged shall not exceed 10% of the gross amount of royalties or fees for technical services," the notification said. Tax rate under the domestic law can go up to 20%, as per a provision that is effective from the assessment year 2024-25.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/royalty-rate-under-spain-dtaa-notified/articleshow/108687455.cms>

### **Capping of interest subsidy for exporters to continue in Q1 of new fiscal**

The Centre has notified an interest subsidy cap of ₹2.5 crore for individual export units in the first quarter of the forthcoming fiscal 2024-25 under the popular interest equalisation scheme (IES) for identified sectors and MSMEs. This is in continuation of its capping policy, introduced this fiscal, to ensure that more units can benefit from the scheme, sources said. But the government is not yet ready to consider the demand made by exporters to increase the subsidy rates despite several submissions by exporters, an official tracking the matter told businessline. The DGFT issued a notification on Wednesday clarifying that a cap of ₹2.50 crore per IEC is imposed till June 30, 2024, for the quarter starting from April 1, 2024.

<https://www.thehindubusinessline.com/economy/capping-of-interest-subsidy-for-exporters-to-continue-in-q1-of-new-fiscal/article67976578.ece>